

Maryland Defense Diversification Assistance (MDDA) Program FAQs

What is this program? What am I getting by applying?

The Maryland Defense Diversification Assistance (MDDA) program assists defense-dependent Maryland businesses find new types of revenue streams. The MDDA program will provide participating companies an analysis of their readiness to enter new markets and offer strategies that will help to lessen their funding dependency on Department of Defense (DoD) revenue. The program will include a review of the company's services or products, as well as its business practices and goals, followed by access to training and services to help achieve those goals.

After the initial assessment, **if the company is assessed as ready to diversify**, then the company has the option to attend export training and commercialization skill building seminars **at no charge**. Additionally, depending on readiness and the new market interest area, the company may be referred to an expert consultant who will assist them in exporting or commercialization activities.

***NOTE: The MDDA program does not provide a reimbursement or payment to the participants, but rather pays for either the partial cost of the services outlined below. Participants are expected to invest time and funding in the MDDA sponsored commercialization projects.**

Examples of services provided by these expert consultants include coaching/mentorship, market identification and research, supply chain solutions, strategic development assistance, lean manufacturing, export legal counseling, executive coaching, ITAR/EAR Compliance, logistics and distribution services, website globalization, marketing assistance and more.

If not ready to diversify, the company will receive an assessment report outlining areas for improvement where the company can better position itself to enter new markets.

Who can apply?

The company has to meet the eligibility factors below to apply. However, Commerce prioritizes serving defense dependent small to mid-sized businesses who have an interest in diversifying their revenue and customer base and are willing to work with Commerce and Commerce-identified partners to meet their diversification goals.

Eligibility Checklist*:

- ✓ At least 35% of annual revenue from DoD contracts in the last fiscal year
- ✓ Good standing with the State of Maryland
- ✓ More than 1 employee
- ✓ Located and operating in Maryland for at least 1 year

**Company must meet all eligibility requirements to apply*

How do I apply?

To apply, go to commerce.maryland.gov/MDDA to fill out an application for entry. Applications will be accepted through the end of 2018.

Please note that entry into the program does not guarantee you will be referred for subsidized consulting services. Entry to the program means the company will be assessed for diversification readiness to transition to new markets.

What questions are in the application? What do I need to know?

The applicant will need to know their DoD dependency percentage. This is the company's annual gross revenue from DoD contracts and grants divided by the company's *total* annual gross revenue. To put it simply: DoD Revenue/Total Revenue. Documentation of your revenue demonstrating your DoD dependency is required with submission of the application.

Additionally, the applicant will need to know information like your company's Duns & Bradstreet (DUNS) number, Employer Identification Number (EIN)/Federal Tax ID number and six-digit NAICS code.

Lastly, in order to answer additional eligibility and screening questions, the applicant will need to know whether the company is in good standing with the State of Maryland. Check [here](#) to find out. The applicant will also need to know if the business is a federally defined small business according to SBA guidelines. Check [here](#) to find out.

What documentation do I need to provide in advance of the assessment?

Companies **must** provide organizational charts, an executive summary and a capabilities statement. Helpful, **optional** material include a strategic plan, a list of intellectual property and resumes of company leadership.

What happens during the assessment phase? What do I need to know?

The assessment is an easy process that will involve a site visit from one of the MDDA representatives who will meet with company leadership, review your company's business practices and core competencies, and better understand the company's leadership goals. This will help the team understand what it is that the company does, how it is done, and what the company might be able to do. In order to be assessed, MDDA assessors will ask the company to share a few documents (see previous question and answer) that will help Commerce understand the business. The MDDA representatives will guide the company through the process. Following the site visit, MDDA representatives will draft an assessment report that will offer analysis and recommendations to help the company achieve business growth.

Please note that Commerce requires that a CEO be present at the initial site visit either in person or via conference/video call if remote.

The assessment report will contain:

- information on the outcome of the company's readiness to tackle new markets,
- identify barriers to revenue diversification and offer solutions to fill those gaps and strengths that will propel the company forward, and
- will detail options for next steps as participants in the program. These next steps could include strategies for diversification including new potential markets, a list of resources and, if appropriate, a recommendation to attend the MDDA sponsored training events or receive consulting services.

How many site visits are there?

One site visit is required. Additional site visits, or potentially phone calls, are done as needed.

Who is part of the MDDA assessment team?

The assessment team could include professionals experienced in both export and international trade or in business development. Some of these professionals come from the Maryland Department of Commerce, the US Export Assistance Center - Baltimore (USEAC), or the Maryland Manufacturing Extension Partnership (MEP). Other professionals will be identified according to your company's needs.

The assessment team will depend on the company's diversification interest area, business type and the availability of resources.

If I qualify, what training opportunities will you be offering?

There are two training opportunities available to the company, and, if referred, the company may take both seminars.

The first opportunity is an Export Management Bootcamp seminar series that will cover courses in Resources for Market Analysis & Evaluation; Strategies for International Distribution & International Sales Channels' Terms of Sale & INCO terms; Terms of Payment, Trade Barriers, and Free Trade Zones; and Logistics and How to Get Product to Market. This session will be led by Gary Cohen, Clinical Professor of Logistics, Business, & Public Policy at the Robert H. Smith School of Business and will also include speakers from the US Commercial Service Bureau of Industries & Securities (BIS) for EAR Regulations, an ITAR compliance specialist, overview of State & Federal export assistance services, a session on how to sell to foreign governments, NATO, and the UN, and a session on government financing resources.

The second opportunity is an Industry Innovation Executive Training that provides defense firms with skill building in areas necessary to commercialize their business. Session topics include Leading Changes in Strategic Direction; Getting the Right People on Venture Oriented Teams; Using Financial, Managerial and Tax Accounting Information for Strategic Decision Making, Financial Forecasting; Marketing: Segmentation, Targeting, and Positioning; and Fundamentals of Contract Law and Joint Venture Agreements. These sessions will be led by expert faculty members from the University of Maryland Robert H. Smith School of Business.

Both seminar series will be held twice; first in the Spring of 2018 and again in the Fall of 2018. More information about these seminars will soon be released.

Who are the MDDA service providers?

Selection of the service providers will depend on the company's diversification pathway. MDDA service providers include: the Maryland Manufacturing Extension Partnership (MEP), the Maryland/DC District Export Council (DEC), and Maryland TEDCO.

If I qualify, what consulting services will be available to me?

If the company qualifies, up to \$10,000 in consulting services will be offered to assist the company in implementing identified strategies. The company will be assigned to work with one of the MDDA service providers depending on company needs. That service provider will connect the company with the appropriate consulting service.

Specifically, the following service are available:

The MD/DC DEC can provide the following services to qualified MDDA clients:

- Four hours of executive coaching to identify export needs.
- Participation in [ExporTech](#) Program for export strategy development.
- Consulting assistance on specific international business topics; including, but not limited to:
 - Export legal counseling,
 - International market identification/research,
 - ITAR/EAR compliance,
 - Logistics support,
 - Distribution services,
 - Website globalization and marketing assistance for an international market.

The Maryland MEP can provide the following services to qualified MDDA clients:

- Technology Driven Market Intelligence (TDMI)
 - Technology-Driven Market Intelligence focuses on leveraging technology to identify the technical viability and marketability of your products. Unlike traditional marketing research, TDMI uses a structured process to identify markets and trends, detail technical and user requirements, analyze options, and explore knowledge gaps.
- Strategic Marketing workshop for companies that need to update / modify marketing materials for commercial space. Including marketing channels, web presences, etc.
- Top-Line Growth including; market diversification, export, business valuation, strategy, expansion and lead generation, automation and robotics
- Business Optimization including Lean, Six Sigma, quality, facility layout, and
- Workforce Development including leadership development, workforce training, organizational effectiveness.

TEDCO can provide the following services to qualified MDDA clients:

- Participation in TEDCO's Executive Coaching Mentorship Program designed to facilitate a move towards consumer markets and commercialization.
 - Companies will be matched with an executive coaching mentor based on their needs or interest area.
 - This program is ideal for defense companies who are in an early-stage commercialization venture.

Does my participation cost me anything?

These are broken down by phases:

Assessment: The assessment is **free**; all we need is your time.

Seminars: Participation in either of the training seminars is also **free**. Commerce will charge a \$150 'no-show' fee for each staff person registered for the training that does not attend or provide notice of cancellation 24 hours in advance of the training.

Consulting Services: If the company qualifies to work with a consultant to move forward on a diversification project, the company will be required to provide a **10% match to any funding provided**. This match contribution will go towards increasing the level of services the company receives. For instance, if the company is provided \$5,000 in funding through the MDDA program, the company will need to match 10%, or \$500, to participate and will receive \$5,500 in total services.